

It would establish a new Office of Credit Rating Agencies to strengthen regulation, expose hidden risks, and make sure a warning system is in place so we are never caught off guard again.

Our bill would also require companies that sell mortgage-backed securities to hold on to at least 5 percent of the credit risk—or meet underlying loan standards—so their performance is tied to the products they are distributing.

It would require these companies to be more transparent about the assets that underlie these securities, and more straightforward in their quality analysis.

Finally, our legislation would give a company's shareholders the right to a nonbinding vote on executive pay so pay can be brought in line with performance, and these folks can make their voices heard.

Together these measures would help to bring transparency and stability back to the financial markets.

This would bolster the integrity of people's investments, and would help ensure that their retirement savings are secure.

There will always be risk associated with making investments, and that is exactly as it should be.

That is how our free market system is designed to work.

But we need to eliminate the possibility that fraud and abuse can undermine the security of our entire economy.

We need to pass rules of the road that will keep financial institutions honest, so ordinary Americans will be protected from serious harm at the hands of those they entrust with their savings.

I yield the floor, suggest the absence of quorum, and ask unanimous consent that the time under the quorum be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KOHL. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KOHL. I ask unanimous consent to speak for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KOHL. I joined the Senate Banking Committee about a year and a half ago, shortly after failures on Wall Street forced a taxpayer bailout. Bear Stearns, AIG, and other pillars of our economy had collapsed, and we learned that our financial system was built on a foundation of sand. The crisis on Wall Street hit Wisconsin households hard. Families lost their homes, workers lost their jobs, and retirees lost their life savings.

Seventy years ago Congress reacted aggressively to our gravest economic crisis, and put us on the road to prosperity by creating new regulations and

institutions that avoided a meltdown for generations. By creating agencies like the Securities and Exchange Commission and establishing margin requirements, the Federal Government helped put the markets back on track.

We are now called on to set up rules to put our economy on the right track just like we did in the 1930s. For over a year, the Senate Banking Committee held hearings to study the financial crisis. We know that the conditions that led to this mess did not occur suddenly in 2008, and these problems cannot be fixed overnight.

Wall Street needs accountability and transparency to avoid future financial meltdowns. The legislation we are considering takes vital steps to end "too big to fail," bring unregulated shadow markets into the light, and make our financial system work better for everyone.

This bill protects Main Street jobs by focusing on Wall Street, where the crisis began. Community banks and credit unions have continued to act responsibly, and should not be subject to new layers of regulation that will impede their business.

The bill also protects consumers, and I would like to thank Senator AKAKA for working with me on the consumer protections in title XII of this bill. This title will help mainstream financial institutions make small loans on affordable terms to people who are currently limited to riskier choices like payday loans. This title will also help Americans get bank accounts, and encourages banks to offer financial education to their customers.

I would also like to thank my friend and Chairman CHRIS DODD for his leadership on this legislation. Fixing our financial system is a complex challenge, and Chairman DODD has worked tirelessly to get this done right. He has been called upon to do so much in this Congress, and he has done it all with fairness, wisdom, and good humor. We will miss his steady hand in the future.

I hope the Senate will continue to work in a bipartisan manner to complete this important bill. Our economy is slowly recovering from a devastating shock, and we must ensure that our progress is built on a more secure foundation. Continuing business as usual on Wall Street is not an option.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I rise to speak on the Gregg amendment and ask unanimous consent to be included as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. It is important we recognize what a fiscal crisis we face in the United States. Today, America's public debt stands at over \$12.9 trillion. Regrettably, that will be on our children's and grandchildren's credit cards. We have, just last year, raised that debt by \$1.4 trillion, and it will be \$1.6 trillion added this year. This mountain

of debt is going on the backs of our children and grandchildren. We will have to pay the interest on it, but they are the ones who will bear the real burden. Taxpayers are already bailing out Wall Street and failed banks with \$700 billion; GM and Chrysler, \$80 billion; the toxic twins, Fannie Mae and Freddie Mac, more than \$1.2 trillion. We have tried unsuccessfully to deal with Fannie and Freddie in this financial regulation bill. When we look at the cause of the financial crisis, it is the subprime market, the bad home loans that were enabled by Fannie and Freddie being willing to purchase them. In my humble estimation, we should not pass a financial regulation bill designed to prevent a reoccurrence of the crisis which we have just gone through without dealing with Fannie and Freddie.

But when you look at the budget deficit, taxpayers are on the hook for \$1 trillion in a failed stimulus package which only created jobs in the governments. It was a government expansion, not a measure to create jobs in the private sector.

The President and majorities in Congress have also recently created a new taxpayer-funded entitlement for health insurance. Many of us in December were pointing out the fact that this bill would add to the debt, it would drive up costs of private health insurance, it would limit the ability of seniors on Medicare to get their services by cutting the amount of money going into Medicare, and it would lead to higher taxes.

Funny thing, the new Actuary at the CMS has just come out and repeated those same four things. The health care bill is not only going to drive up private insurance costs, you are not going to be able to keep the same plan you had, it will continue to squeeze down the services Medicare recipients can receive, and it will add to the deficit and, thus, the debt.

But how much more debt and how many more unfunded liabilities can we take on before destroying the economy? What is happening in Greece, regrettably, could happen here. I strongly support the Gregg amendment, which will ensure that taxpayer funds are not used to bail out States.

We talked about too big to fail in terms of financial institutions. We ought to be talking about it in terms of governments. We adopted an amendment saying we should not use taxpayer money to bail out Greece. But we should not be in the position where we would be called upon to bail out States which have been unable to get their spending under control and get their spending in line with their revenues.

I know a little bit about tight State budgets. When I was Governor of Missouri, we had to make tough decisions. I came back into office as Governor in 1981, with a huge deficit in the middle of the year, and we could not borrow money to cover that deficit. So we made major, drastic cuts in spending,